

Income Tax Act

week should be taxed. I do not believe either that a couple earning \$100 per week should be subject to any tax.

We are all aware of the increase in the standard of living and I believe it is only fair to claim a much higher exemption than that suggested by the minister.

I recognize the difficulties that this creates for the government. I also recognize willingly that it will cost more to the government. However, the government must find a way of providing for that minimum living wage. I believe that every member considers \$5,000 for a couple and \$3,000 for a single person as a necessary thing. No member of this House would dare deny that we can afford to tax people with such an income.

The first reply we will get will be that it is difficult to change the estimates since it would complicate the drafting of the bill. Other comments will be made about those citizens who do need that vital minimum.

Since we are still considering sections 109 and 110 I would invite all hon. members to speak on those sections and say in plain words who is right.

I am convinced that it poses some difficulties to the government but I think that in the present circumstances no government should hesitate to provide the vital minimum resulting from a basic exemption much greater than the one proposed in this bill.

Of course, this is an improvement that goes back to 1947 since it is not often that amendments are introduced to tax legislation. As far as I remember, the changes brought into the tax legislation go back to 1947, since it is always very difficult for the government to alter substantially its tax policy. It is all the more important that we seriously consider the amendments of clauses 109 and 110 because I have the strong impression that they will be in force for many years to come.

With reference then to all the speeches that were made in this House and to all the arguments which were submitted, I take the liberty once more to urge hon. members and the members responsible for the government to adopt a straightforward attitude which would be far more attuned to the just society which is desired not only by liberals but by all hon. members alike.

We long for that just society as much as those who promised it but, nonetheless, endeavours are necessary. I am under the clear impression that we do not take that great step when setting the exemptions at \$1,500 or \$2,850. In fact, we would be in a better position to conquer or at least obtain the confidence of the people if, through a positive gesture, we were to set the exemptions at \$3,000 and \$5,000.

I do not think that I am exaggerating. A while ago, the leader of the Social Credit (Mr. Caouette) drew a parallel with the non-taxable \$8,000 allowed to hon. members. I am not entirely in agreement with him, because I think that the workman who might discuss the \$8,000 exemption surely does not know what is involved in an hon. member's duties.

The argument used by the leader of the Social Credit is indeed not serious. However, his observations were perfectly justified, like those of the member for Champlain (Mr. Matte) this afternoon, and should be taken into consideration by the vast majority of members.

Mr. Chairman, I close on those words, hoping that the government will amend clauses 109 and 110, thus proving to the Canadian people that it is seriously endeavouring to achieve a more just society.

[English]

Mr. Aiken: Mr. Chairman, I rise to say a few words—and they will be few—on behalf of the many parents of university students who are sending their children through university and paying their tuition fees, their board and lodging and their incidentals which may run as high as \$2,000 or \$2,500, and who receive no tax exemption or deduction whatever. All they are allowed is what is set out in various parts on section 109 for a child over 21 years of age who is attending university, and the maximum there is \$550.

Mr. McCleave: Not enough.

Mr. Benson: But we are paying half the cost.

Mr. Aiken: I would be glad to accept the minister's question, Mr. Chairman.

Mr. Benson: I am sure my hon. friend understands that half the operating costs of post-secondary education are paid by the taxpayers of Canada.

Mr. Aiken: Mr. Chairman, I think the minister interrupted me too soon. I am trying to draw a little equity into this situation and perhaps he will see my point in a moment. Those parents who pay the full amount of their children's tuition are taxpayers and presumably they are paying an income tax on that \$2,000, if we take a round figure, of between 20 per cent and 50 per cent. It is therefore costing such a parent not only the \$2,000 actually paid out but also the tax he pays on top of that.

I am trying to compare this situation to that of a student who is sent to university on a bursary or scholarship, who must borrow money under the scholarship plan, or who in some way or other gets the money from a source other than the parent. In such a case there is no tax attracted to the money that is paid for tuition. I am trying to point out the unfairness of the situation to the same group of people who are paying most of the taxes of this country, the people in the middle-income bracket, the people who are sending their children to school, the people who are paying their way through life and in the result get stuck with income tax whereas other income attracts no tax and there is no benefit to the federal treasury.

This question has been put to me many times by parents who are laying out a great deal of money and getting no tax reduction. I agree with the minister that this money comes from taxes in any case to pay for university education. But I do not feel that it is a fair distribution when those who are making an effort and paying, when the student cannot get work during the summer—as many have not during the last couple of years—end up paying a premium on whatever their income tax rate is for the right to send their children to university on top of the expense incurred in sending them there. The point I am trying to make is that there should be some deduction in order to create equity in taxation for the parent.

• (9:30 p.m.)

I shall not move an amendment at this point. We have had rulings on amendments which seek to raise exemp-